

MEMORANDUM

Staff Summary No. 8

Date: June 11, 2014

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Subject: Resolution 14-14 – Approval of the Form of the Loan Agreement for the Revolving Loan Fund Program (Action Item)

Pursuant to the California State Budget Act of 2013, commencing with the 2013-14 fiscal year, the administration of the Charter School Revolving Loan Fund Program (Program) (Sections 41365, 41366.5, 41366.7, and 41367 of the Education Code) was transferred from the California Department of Education to the California School Finance Authority (Authority). The Program provides low-interest loans of up to \$250,000 to new charter schools.

In January 2014, the Board adopted Program regulations, and in February, when the regulations were effective, Program applications were submitted to the Authority for funding determinations. Section 10170.22 of the Program regulations sets forth that the prior to the issuance of each loan award, the Authority shall require each loan recipient to enter into a loan agreement that sets forth the terms and conditions of the Program. Staff worked with counsel to develop the attached form of the Loan Agreement that is consistent with the Program parameters.

Staff recommends that the Board adopt Resolution No. 14-14, approving the form of the loan agreement for the revolving loan fund program.